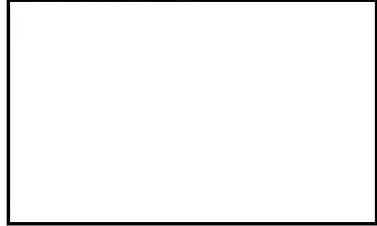


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Soviet Union-Eastern Europe

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Pay Raise for Romanian Military

The recently announced liberalization of pay and annual leave for the Romanian military suggests that Ceausescu is worried about possible dissatisfaction in the armed services. On December 29, the Executive Political Committee issued a decree calling for pay hikes of 100 percent for privates, 65 and 70 percent for corporals and sergeants, and 29 percent for military cadets, commissioned and noncommissioned officers, and reservists. The decree also grants increased pay allowances for food and longer vacations.

In a rare public admission, the Ceausescu regime last fall confirmed that food shortages existed in Romania. The situation had apparently deteriorated rapidly following the devastating floods which hit Romania in July. The military played a leading role in fighting the floods and in maintaining basic services throughout the country. Indeed, consumer problems may have played a part in Ceausescu's decision to cancel his visit to Yugoslavia in mid-October. The regime has now made foodstuffs more readily available throughout the country, and modest pay hikes have been announced for the civilian sector of the economy.

Although the pay scales for the Romanian military, particularly the enlisted men, are low, the military pay raises are the first hint that public discontent may have spread into the ranks of the armed forces. The military is a mainstay of the Ceausescu regime, and the size of the wage increases reflects the leadership's sensitivity to any signs of discontent.

Meantime, Ceausescu has still not offered any significant broad policy changes to ease popular discontent over the long run. The regime, for example, seems determined to proceed with rapid industrialization regardless of its effect on the average Romanian.

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Zagladin Takes on the
Hard Liners on Communist Tactics

A two-part article in *Questions of Philosophy* this fall by V. V. Zagladin differs sharply from the hard-line views on communist party tactics expressed in August by Konstantin Zarodov. The differences are so pronounced that Zagladin may well have intended his article as a rebuttal of the hard liners. As is characteristic of this type of Soviet writing, Zagladin sets up symbolic villains. When he upholds Lenin against "left revisionists" such as Bukharin, Zagladin is attacking those unnamed individuals whom he deems to be the modern advocates of Bukharin's heresy.

Zagladin's position as First Deputy Chief of the International Department of the CPSU Central Committee carries far more prestige than Zarodov's post as editor of the *World Marxist Review*. On the other hand, Zarodov's article, which appeared in *Pravda*, received far wider dissemination than is customary for such arcane doctrinal treatises.

In any case, Zagladin's effort is no more the last word in this ancient dispute than was Zarodov's. The most significant aspect of Zagladin's article may be that, despite Brezhnev's highly publicized reception of Zarodov in September, it is still possible to present a divergent opinion in a major publication.

The theoretical debate over the preconditions for the transformation to socialism, which Zagladin addresses, reaches practical application in the question of communist party tactics for obtaining power. Where Zarodov is militant and uncompromising in opposition to the idea of cooperation between socialists and communists, Zagladin seems to feel that it is more important to secure tangible improvements in the position of the workers than to adhere to some abstract ideal of party purity.

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Zagladin explicitly states that it is necessary to win over a majority of the working class before attempting the socialist transformation of society. As is customary in these theological debates, Zagladin draws freely on the Leninist gospel, citing those maxims that favor mass movements and majorities. He quotes Lenin to the effect that it is essential to win over "not merely a simple majority of workers, but the majority of those exploited."

All this is in striking contrast to Zarodov, who seemed to endorse Portuguese party leader Cunhal's argument that mere numerical majorities were inconsequential and that a determined cadre could seize power regardless of the latest poll results. Zagladin's position is diametrically opposed. Again citing Lenin, he argues that "It is criminal to lead only the vanguard alone--the working class--into the battle for the revolution."

Insofar as Zagladin acknowledges the importance of "subjective" factors--the intangibles such as the willingness of communists to seize the moment and convert a revolutionary situation into revolution--he is in agreement with the militants. But his final weighing of the factors is much different and, although he does not dismiss the importance of the subjective element, he says explicitly that if the necessary preconditions are absent, no subjective activity can lead to a victorious revolution. "The party cannot by its will summon up the enormous surge of the overwhelming majority of the people's mass which is extremely important for the revolution."

In what may be a necessary effort to rationalize retroactively the Russian experience, Zagladin asserts that under certain historic conditions it is sometimes possible for states at the middle level of development to leap directly into socialism. But the inescapable conclusion of Zagladin's reasoning is that such a leap is nearly impossible in countries of developed capitalism. Indeed, it appears that he is

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firmer in this position in his second section, which was signed to press in November, than in the first, which was dated a month previously. Both were probably prepared considerably earlier. In the interval between the two parts, Zagladin may have felt the need to rebut contrary statements more forcefully.

While the shadow of the leftist setback in Chile hangs over these debates, their current application is clearly in Western Europe. Zagladin has frequent dealings with Western communist parties and may have felt the need to present a thesis with which they would be sympathetic and which would justify their independence while avoiding a doctrinal break with Moscow.

The hard-line position to which Zarodov seems to subscribe, and which the Italian Communists have been compelled to rebut, maintains that the defeat in Chile occurred in large measure because the left forces were not sufficiently resolute. The Italians will be much more comfortable with Zagladin's thesis, which supports their analysis that the leftists failed in Chile because they lacked the mass electoral support necessary to push thru the fundamental social changes they undertook.

The differences between Zagladin and Zarodov are also of intense concern to the French party. As the prospect of obtaining at least a share of power has grown closer, the French seem to be moving steadily away from Zarodovite orthodoxy, which consigned them to an opposition they now increasingly believe was both permanent and sterile.

While Zagladin offers a doctrinal rationalization for participation in government by the major Western communist parties, his thesis tends to postpone the actual transformation to socialism. Indeed, he lists a variety of "negative phenomena" in modern advanced societies that collectively act to render such a transformation difficult. While he also cites, almost in an obligatory fashion, developments that tend to enhance the preconditions for a

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socialist transformation, his overall conclusion leans toward pessimism about the immediate likelihood of socialist revolutions in advanced countries. In the continuing debate within the Soviet Union over whether the current economic distress of the West makes it susceptible to social transformation, and hence, perhaps, to Soviet meddling, Zagladin is clearly a voice of caution.

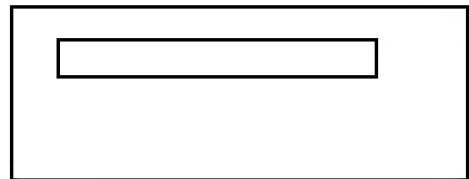
Zagladin seems aware that his evolutionary prescription for achieving socialism suffers somewhat in comparison with the shortcuts offered by the militants who emphasize "subjective" factors, i.e., the willingness of a well-disciplined faction to seize power regardless of shortcomings in the "objective" preconditions. As if in compensation, Zagladin presents the concept, seldom heard nowadays, that state-monopoly capitalism is a significant step toward the socialization of production. Presumably this is because it then becomes impossible for private capital to recover its former position. This resembles the line taken by some Soviets with regard to Portugal, in which the temporary fluctuations in the fortunes of the communist party were seen as less significant than the fact that irreversible socio-economic changes were taking place that would prevent a return to the prerevolutionary situation. Thus, while Zagladin cannot offer shortcuts, the transformation achieved by his formula is likely to be more solidly grounded and more permanent.

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Soviets May Be Building Case That CSCE
Act Is Equivalent to a Treaty

In their continuing campaign to inflate the importance of CSCE, the Soviets now seem to be moving toward the position that the CSCE Final Act is binding under international law. Writing in *New Times*, Valentin Yaroslavtsev asserts that, although the act is not formally a treaty, there is an obligation to observe its provisions. The crux of his argument is that "The Final Act contains so many stipulations calling for its observance that taken together they carry no less force in relation to this document than the *pacta sunt servanda* (pacts should be observed) principle does in relation to international treaties."

While Yaroslavtsev's legal reasoning is tortured, his article indicates the extent of Soviet sensitivity to Western claims that the act is not binding in international law. Although Yaroslavtsev's article appears to be the farthest the Soviets have gone in controveerting the Western interpretation, they have argued from the start that they felt obliged to observe all the provisions of the Final Act.

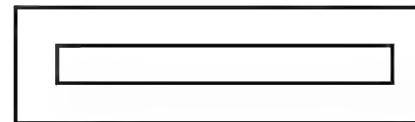
The Soviets are, of course, interested in magnifying the importance of favorable aspects of the CSCE act, particularly the statement on the inviolability of frontiers. To be consistent, however, they would have to acknowledge that all parts of the document, including the "freer movement" provisions they find distasteful, have equal legal force. Some of the "freer movement" clauses are more loosely worded than the principles such as the inviolability of frontiers, but the Soviets cannot altogether escape the dilemma. Asserting that the Final Act approximates a treaty in its legal force merely seems to transfer the current debate over the relative merits of various sections of the document to a different plane.

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If the Soviets continue to insist that the Final Act is legally binding, there may be some potential for mischief over the longer term. It could, at the extreme, even serve as a rationale for taking action against a nation that they deem to be in violation of it. This prospect is still remote, but it is a logical culmination to the growing Soviet tendency to regard the CSCE act as a substitute for the World War II peace treaty that they recognize will never come to pass.

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USSR: Electric Power in
The New Five Year Plan

Soviet plans for production of electric power during the tenth five-year plan period may not be fully realized, but lags in power-consuming sectors of the economy probably will be sufficient to offset the shortfall and maintain an overall balance between electric power supply and requirements.

The new plan provides for production of 1,340 to 1,380 billion kilowatt hours of electricity in 1980, an increase of 29 to 33 percent over 1975. This is considerably less than the 40 percent increase achieved in 1971-75, and is the lowest rate of growth projected for power output since World War II.

Total industrial output is to increase at a faster rate than electric power--35 to 39 percent--with an even greater increase in consumption of power by industry as a result of plans for increased automation and mechanization. This suggests that the share of total power output consumed by industry may be greater than in the past.

The rural economy will also increase its use of electric power, from 7 percent of the total power supply in 1975 to 10 percent in 1980. Even if power production goals are achieved, some competition for electricity is likely to develop between the industrial, rural, and urban sectors of the economy.

Regional shortages of power almost certainly will become more prevalent, especially in the European USSR, which is deficient in energy resources, but which consumes 80 percent of the electricity.

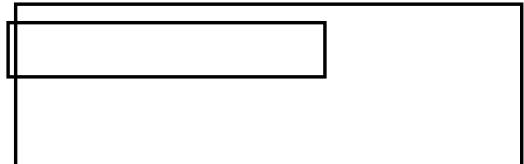
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Achievement of the goal for electric power production depends on fulfillment of plans to install 67,000 to 70,000 megawatts of new generating capacity and to construct high-voltage, long-distance transmission lines. Approximately 20 percent of the planned additions to capacity are to be in nuclear electric powerplants--compared with about 7 percent in the last five year plan. Another 20 percent will go to hydroelectric plants, and the remainder to conventional thermal powerplants, some to be built in the eastern regions of the country to utilize cheap coal. All the nuclear capacity and more than a third of the hydro capacity will be located in the European USSR.

Past performance suggests that fulfillment of the plan for installation of new capacity will be difficult. The goal for the previous five-year period was 67,200 megawatts, but installation probably has fallen short by 10,000 to 12,000 megawatts.

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CHRONOLOGY

December 23 Politburo member Suslov and the other ranking East European delegates to the Cuban party congress which ended yesterday, fly home. [redacted] 25X1

[redacted]
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[redacted]
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Hungarian Foreign Minister Puja completes a two-day official visit to the USSR. [redacted]

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Foreign Minister Gromyko and Deputy Foreign Minister Kuznetsov have separate talks with the visiting Jordanian delegation headed by former prime minister Rifai. [redacted]

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December 24 UK chief rabbi Jakobovits completes a ten-day official visit to the USSR, the first by the chief rabbi of a Western state. [redacted]

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Politburo member Suslov arrives in Moscow from Havana and is met at the airport by Brezhnev and others. [redacted]

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Romanian Foreign Trade Minister Patan arrives in Belgrade for trade talks. [redacted]

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First Deputy Foreign Minister Kuznetsov ends talks with Jordanian delegation in Moscow. [redacted]

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December 24-25 Yugoslav Foreign Minister Minic holds talks in Bucharest with his Romanian counterpart Gheorghe Macovescu. (U)

December 25 Israeli Foreign Minister Allon confers with Romanian Deputy Foreign Minister Pacoste. (U)

Yugoslavia and Romania sign in Belgrade a trade agreement for 1976-80 and a commodity trade protocol for the coming year. (U)

December 26 Yugoslavia makes first public admission of the arrest of Vladimir Dapcevic, a leading anti-Titoist emigre. (U)

Soviets' TU-144 SST begins regular service on its first route, Moscow to and from Alma-Ata. (U)

Premier Kosygin begins a four-day official visit to Turkey. (U)

December 27 Semen Skachkov, head of Iran-Soviet Committee for Economic and Technical Cooperation, concludes official talks in Baghdad. (U)

Peoples Republic of China releases Soviet helicopter crew captured in March 1974. (U)

December 28 Premier Kosygin attends ceremonies opening the Soviet-assisted Iskenderun steel complex in Turkey. (U)

Azerbaydzhan Supreme Court sentences five men to death by firing squad for defrauding the state of some 12 million dollars. (U)

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December 29 Secretary of Commerce Morton signs US-USSR Maritime Agreement in Washington. (U)

FUTURE EVENTS

January 1 GDR-FRG health agreement to enter into force. (U)

Romania to begin a two-year term as a non-permanent member of the UN Security Council, taking the seat now occupied by the Belorussian SSR. (U)

USSR to impose a 56 MPH speed limit, the first control of highway speed in Soviet history. (U)

Czechoslovakia lifts its ban on permanent representation there for foreign firms; the ban had been instituted just after the republic was taken over by the Communists. (U)

A new Soviet internal passport system to be implemented. (U)

A new Polish tariff to enter into effect. (U)

USSR's new "financial aid tax" on remittances from abroad to enter into effect. (U)

US-Soviet income tax convention to enter into effect. (U)

January 9 Foreign Minister Gromyko to begin an official visit to Japan expected to last four or five days. (U)

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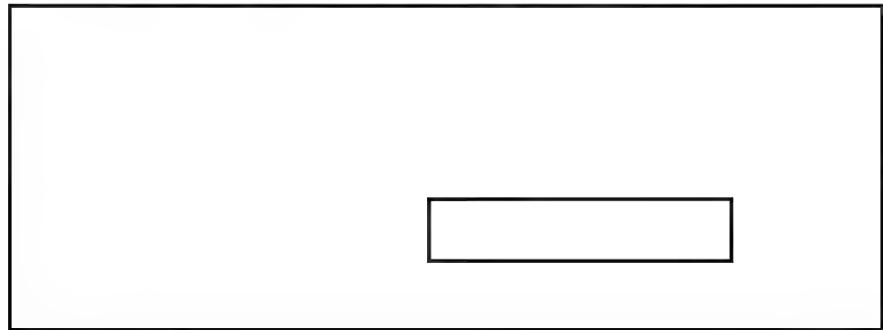
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| January 12 | SALT negotiators to resume their discussions at Geneva. (U) |
| | UN Security Council to begin a new debate on Middle East issues with fedayeen representatives on hand in New York. (U) |
| January 14 | US congressional delegation, headed by Chairman of the House Foreign Relations Committee Thomas Morgan, to begin a three-day visit to Yugoslavia. (U) |
| mid-January | |
| January 20 | Armenian Communist Party congress to convene. (U) |
| | Lithuanian Communist Party Congress to convene. (U) |
| January 22 | Georgian Communist Party congress to convene. (U) |
| January 23 | Turkmen Communist Party congress to convene. (U) |
| January 27 | Tadzhik Communist Party congress to convene. (U) |
| January 28 | Azerbaydzhan Communist Party congress to convene. (U) |
| | Estonian Communist Party congress to convene. (U) |
| January 29 | Moldavian Communist Party Congress to convene. (U) |

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late January MBFR negotiations to resume in Vienna. (U)



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ANNEXYugoslavia: Cominformism as a Domestic Issue

This is the last article in a three-part series on the Cominformists --pro-Soviet Stalinists--in Yugoslavia. The first article, which appeared in the *Staff Notes* on December 11, examined the dimensions of the Cominformist threat. The second article on December 18 offered some tentative judgements on the impact of the Cominformist affair on Yugoslav-Soviet relations. The last discusses some of the domestic implications of Cominformist activity.

The public revelations associated with the discovery of pro-Soviet subversion within Yugoslavia have had a "ripple effect" in domestic politics that will almost certainly influence the country's leadership into the initial stages of the post-Tito era. The issues are basic. As a result, debates over whether to have centralized or decentralized rule, how to cope with politico-military blocs, and the wisdom of one-man rule are once again sparking discord, and even factionalism.

A Major Catalyst

The discovery of an illegal Cominformist group in the spring of 1974 caught Yugoslavia in the wake of one of Tito's most turbulent periods of rule. From December 1971 through late 1973, Tito cracked down on nationalists and reformers, demanded total agreement with his views, and broke with many long time personal friends over his decision to court Moscow and recentralize the Yugoslav party. In the process, he purged the press, brought the courts to heel, and swept aside all talk of political reforms.

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Moreover, the October war in the Middle East in 1973 drove Tito into an extremist anti-Western phase of nonaligned activism that damaged Yugoslavia's efforts to maintain a balanced world posture between East and West.

By early 1974, the principal players in the Yugoslav regime, either from a reluctance to break with the team or from careerist considerations, had meekly followed this implicitly more Moscow-oriented party line. Against this background, the discovery of a faction of pro-Soviets in Yugoslavia created considerable disarray in the Tito regime. Soviet support for the Cominformists raised serious questions about Moscow's intentions as well as doubts about the country's ideological and internal security defenses.

Tito, in his efforts to shore up domestic defenses against Soviet influence, has thus far stressed that his authoritarian program since 1971 does not need alterations, only fuller implementation. Tito's stance has, however, caused the argument over centralism versus decentralism to re-emerge --a debate that has driven Yugoslav politics from the country's beginnings as a unified state. The debate is still far from settled, but advocates of decentralization, after being muzzled for years, are finding vindication in the regime's criticisms of the Soviet "model."

Factionalism Anyone?

Tito has tried to limit Soviet influence and to isolate the country's Cominformists by stressing the basic historical differences between Soviet and Yugoslav communism. His campaign for a dominant, centralized party had, to some extent, blurred such distinctions.

He has so far relied most heavily on revivals of his break with Stalin in 1948. Such themes may

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be good gruel for the masses, but some of the Yugoslav elite are asking tough questions about how much the Soviet and Yugoslav systems actually differ in practice.

Other Yugoslavs, notably republic-level officials, are trying to use the debate over federal authority to block federal programs that clearly exceed the federation's constitutional authority. Regime leaders in Belgrade are tolerating this backtalk.

It is premature to expect a resurgence of liberalism and reformism, but certain groups--mainly non-Serb intellectuals--are intently watching for opportunities. Meantime, their opponents--armed with Tito's personal instructions--are determined to maintain "order and discipline" in domestic affairs.

Although Tito himself this fall warned against using smear tactics against "honest Communists," the tensions between the factions have already caused some vicious rumor-mongering. For example, the party leader in Vojvodina recently was the target of a whispering campaign that erroneously alleged he was under arrest as a Cominformist.

The Economy: An Achilles Heel

This revived political and ideological feuding also feeds on an economic situation that Tito himself admits is "not good." Regime spokesmen have been warning for months that the appeal of the Cominformists will grow if inflation continues to rise and the standard of living continues to fall.

Tito's solution to such problems has been to cut federal spending and to have Belgrade impose unconstitutional investment limits on the republics. He also believes that the blame for irresponsible economic activity rests squarely on the republics.

The federal government, however, continues to be the butt of domestic complaints about the country's economic ills. Premier Bijedic's cabinet--the implementor of party programs--is under attack.

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Although Tito recently expressed his confidence in Bijedic, the Premier might become a scapegoat.

Any politically sensitive problems in the economy--such as an upswing in strikes--could thus spark even sharper debates within the leadership. Strikes could force the leadership to consider whether to get tough with the workers, while worrying about possible disruptive tactics by the pro-Soviet dissidents at hand.

Outlook - More Collectivity at the Top

The domestic impact of pro-Soviet subversion and Moscow's failure to make amends for its sponsorship of the Cominformists make Tito's rapprochement with Brezhnev in the early 1970s look like a mistake of major proportions. So far, the drive against Stalinists and dogmatists has not hurt Tito's personal position. The mistake has, however, set many people thinking that the post-Tito era must be led by a collective of leaders who will presumably make better policy judgements.

Tito's likely successors appear to be the most vehement in the anti-Cominformist drive. The hottest denunciations of Stalinism have come from Tito's vice president, Vladimir Bakaric, a Croat elder statesman and head of the commission for protection of the constitution. Stane Dolanc, the number-two man in the party, shares the outlook of Bakaric, and Edvard Kardelj, the regime's senior thinker and Tito's closest associate, is also working quietly to strengthen the ideological core of the Yugoslav system.

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Military officers have admitted that they have "war-gamed" every likely scenario--presumably including senility--for the succession to Tito. In the end, the army could well cast a crucial card in what kind of state Yugoslavia will be after Tito is dead and the Cominformist scare is over.

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